

## Message Text

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ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02  
CIEP-02 LAB-04 SIL-01 OMB-01 /069 R

DRAFTED BY:THOMAS E. MPRAN/PJS  
APPROVED BY:EB/IFD/ODF FRANK H. THOMAS  
XMB: THOMAS E. MORAN  
EUR/SE . DE LA BARRE

-----162323Z 069886 /61

P 161814Z FEB 77  
FM SECSTATE WASHDC  
TO AMCONSUL ISTANBUL PRIORITY  
INFO AMEMBASSY ANKARA PRIORITY

UNCLAS STATE 035279

E.O. 11652: N/A

TAGS: EFIN, TU

SUBJ: EXIM EXPORT FINANCING - EXIM CREDIT 6135

REF: ISTANBUL 0424

EXIM CAN FINANCE ONLY THE COST OF GOODS AND SERVICES OF US ORIGIN, RULING OUT POSSIBILITY OF FINANCING FOR FORD TRACTORS MENTIONED REFTEL. WE ASSUME TRACTORS ARE BUILT OUTSIDE U.S. WITH SOME U.S. ORIGIN PARTS OR ACCESSORIES INCLUDED IN COMPLETED TRACTORS. WE DO NOT CATEGORICALLY RULE OUT POSSIBILITY OF FINANCING OF THE U.S. COST ELEMENT OF CERTAIN ITEMS EXPORTED FROM THE U.S. WHICH WOULD HAVE NON-U.S. ORIGIN PARTS ADDED OUTSIDE U.S., BUT WE HAVE SERIOUS PROBLEM WITH IDEA OF PROVIDING FINANCING FOR U.S. ORIGIN PARTS/

ACCESSORIES TO BE INCORPORATED INTO NON-U.S. ORIGIN EQUIPMENT SUCH AS THE FORD TRACTORS. THIS IS ESPECIALLY TURE IN CASE OF LOAN  
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NO. 6135 WHICH INVOLVES LONG-TERM FINANCING SINCE ITEMS SUCH AS PARTS QUALIFY ONLY FOR SHORT TERM FINANCING.  
EXIMBANK HAS NO DE MINIMUS RULES AND EACH CASE IS DECIDED ON OWN MERITS. EXIMBANK DECISION REQUIRES INFORMATION AS TO: (A) PERCENTAGE OF U.S. CONTENT; (B) U.S. DOLLAR AMOUNT OF U.S. CONTENT; AND (C) TYPE OF U.S. CONTENT INVOLVED. FOR EXAMPLE DOES U.S. CONTENT CONSIST OF COMPONENTS ASSEMBLED IN UNITED STATES OR ABROAD? HOW MUCH OF

U.S. CONTENT WILL BE REPRESENTED BY: (A) FEES AND COMMISSIONS; (B) PROFITS; (C) ASSEMBLY COSTS; AND (D) TRANSPORTATION COSTS. REGARDING TRANSPORTATION, IF A WAIVER OF U.S. SHIPPING REQUIREMENT IS OBTAINED, EXIMBANK WILL NOT FINANCE SHIPPING COSTS ON NON-U.S. VESSELS.

INVOICES SUBMITTED FOR DRAWDOWN OF FUNDS AVAILABLE UNDER EXIMBANK SUPPORTED FINANCING MUST BE THOSE OF U.S. SUPPLIER. EXIMBANK-REQUIRED DOCUMENTATION SUPPORTING INVOICES WOULD HAVE TO BE SIGNED, IN CASE MENTIONED REFTEL, BU FORD U.S. FOR NON-U.S. REPRESENTATIVE'S COMMISSION

TO BE ELIGIBLE FOR EXIM FINANCING, FORD U.S. WOULD HAVE TO CERTIFY THAT THE REPRESENTATIVE'S COMMISSION IS A REGULAR COMMISSION OR FEE PAID OR TO BE PAID IN THE ORDINARY COURSE OF BUSINESS AND THAT THE REPRESENTATIVE IS THE REGULAR SALES AGENT OR SALES REPRESENTATIVE OF FORD U.S. SUCH COMMISSION OR FEE MUST BE READILY IDENTIFIABLE AS A AMOUNT, PURPOSE AND RECIPIENT ON THE BOOKS AND RECORDS OF FORD U.S.

WE HAVE HAD INQUIRIES FROM TWO EUROPEAN FIRMS (ONE U.K. AND ONE DUTCH) WHO SAY THEY ARE REPS OF U.S. FIRMS AND THAT THEY HAVE BEEN INVITED BY TURKISH HIGHWAY DEPARTMENT TO SUBMIT BIDS TO SUPPLY EQUIPMENT UNDER OUR LOAN. SEEMS THESE FIRMS HAVE IN MIND AN APPROACH SIMILAR TO THAT OF FORD REP WHO CONTACTED CONSULATE. WE HAVE ALSO RECEIVED A TELEX FROM TURKISH REP OF A U.S. COMPRESSOR MANUFACTURER. WE UNDERSTAND THAT COPY OF TELEX HAS BEEN HAND DELIVERED TO EMBASSY. WE ARE TOLD THAT HIGHWAY DEPARTMENT'S BIDS SPECS DO NOT INCLUDE ANY REQUIREMENT THAT EQUIPMENT SUPPLIED BE OF U.S. ORIGIN AND WE SUSPECT THAT THIS IS SOURCE OF CONFUSION AMONG SUPPLIERS AND COULD LEAD TO SERIOUS UNCLASSIFIED

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COMPLICATIONS LATER ON IF DOCUMENTS START COMING IN TO EXIM FOR DRAWDOEN OF FUNDS ONLY TO HAVE IT DISCOVERED AFTER THE FACT THAT CONSIDERABLE PORTION OF ITEMS WE ARE ASKED TO FINANCE ARE NOT ELIGIBLE BECAUSE THEY ARE OF NON-U.S. ORIGIN.

WE ASK THAT EMBASSY CONTACT HIGHWAYS DEPARTMENT AND EXPLAIN THAT (1) EXIM LOAN CAN BE USED ONLY TO FINANCE PURCHASES OF U.S. ORIGIN, U.S. ANUFACTURED EQUIPMENT XPORTED FROM THE U.S., (2) THAT SAME REQUIREMENT APPLIES TO 50 PERCENT CASH PAYMENT BEING MADE BY GOT AS COMPLEMENT TO EXIM 50 PERCENT LOAN (3)) THAT EXIM LOAN AND GOT CASH PAYMENT CAN NOT REPEAT NOT BE USED T FINANCE PURCHSE OF U.S. MANUFACTURED PARTS OR ACCESSORIES TO BE EXPORTED FROM THE U.S. FOR INCORPORATION INTO TRACTORS, COMPRESSORS OR OTHER PIECES OF EQUIPMENT BUILT OUTSIDE U.S. AND THEN EXPORTED TO TURKEY.

WE FEEL THIS IS IMPORTANT MAINLY BECAISE WE DO NOT WANT LONG-TERM FINANCING USED FOR EXPORT OF RATHER MINOR PARTS/ACCESSORIES AND ALSO BECAUSE OF POSSIBLE DAMAGE TO FUTURE MARKET PROSPECTS IN TIRKEY FOR

U.S. SUPPLIERS IF NON-U.S. SUPPLIERS MAKE IN-ROADS.

FORD OR OTHER SUPPLIER OF PARTS/ACCESSORIES TO BE INCLUDED ON  
EUROPEAN-MANUFACTURED EQUIPMENT CAN ARRANGE EXIM-SUPPORTED SHORT  
TERM FINANCING THROUGH NORMAL CHANNELS.

PLEASE BRING THIS TO ATTENTION OF C. NORRIS AND L. M. LAROCHE OF  
EXIMBANK, FROM MORAN.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, LOANS  
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**Copy:** SINGLE  
**Sent Date:** 16-Feb-1977 12:00:00 am  
**Decapton Date:** 01-Jan-1960 12:00:00 am  
**Decapton Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
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**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE035279  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** THOMAS E. MPRAN/PJS  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 ISTANBUL 424  
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**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3304586  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXIM EXPORT FINANCING - EXIM CREDIT 6135  
**TAGS:** EFIN, TU, US, XMB  
**To:** ISTANBUL  
**Type:** TE  
**vdkgvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a1e2a1c5-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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22 May 2009  
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